

## Message Text

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61

ORIGIN TRSE-00

INFO OCT-01 EUR-12 ISO-00 EB-07 SS-15 NSC-05 SP-02 L-03

CIAE-00 INR-07 NSAE-00 FRB-03 OMB-01 /056 R

DRAFTED BY TREASURY - SSWINEHART:LLB

APPROVED BY EB/ITP/EWT - SSGOODMAN

TREASURY - SSOMMERFIELD

EUR/CE -J WARD

----- 013045

R 021724Z FEB 76

FM SECSTATE WASHDC

TO AMEMBASSY BERLIN

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E.O. 11652: N/A

TAGS: EFIN, GE

SUBJECT: BLOCKED GDR ACCOUNTS

REF: 75 BERLIN 6632

1. EMBASSY REQUESTED BACKGROUND REGARDING BLOCKING ACTION TAKEN BY THIS OFFICE AGAINST THE U.S. DOLLAR ACCOUNTS OF THE DEUTSCHE AUSSENHANDELSBANK (FORMERLY DEUTSCHE NOTENBANK, HEREAFTER CALLED "THE BANK"). THIS ACTION WAS TAKEN IN 1952 TO PREVENT U.S. DOLLARS FROM BEING UTILIZED TO FINANCE TRADE WITH THE PEOPLE'S REPUBLIC OF CHINA. IT HAD COME TO OUR ATTENTION THAT DEUTSCHE NOTENBANK HAD IN FACT FACILITATED SUCH TRADE THROUGH ITS U.S. DOLLAR ACCOUNTS.

2. OVER THE YEARS THE BANK HAS REQUESTED THE RELEASE OF THESE FUNDS ON THE GROUND THAT THE CHINESE INTEREST IN THE ACCOUNTS HAD BEEN EXTINGUISHED BY OUTPAYMENTS. TREASURY HAS ADVISED THE BANK THAT THE ACCOUNTS COULD

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ONLY BE UNBLOCKED UPON SUBMISSION OF DOCUMENTARY PROOF

THAT THE OUTPAYMENTS HAD OCCURRED AND THAT THE BANK ACTED WITHOUT WILLFUL INTENT RELATIVE TO THE REGULATIONS IN THEIR HANDLING OF THE FUNDS. THE LAST REQUEST FOR SUCH INFORMATION WAS REJECTED BY THE BANK IN 1973.

3. FROM TIME TO TIME THE BANK HAS SUGGESTED THAT THE FUNDS BE UNBLOCKED FOR USE IN PURCHASING NON-STRATEGIC GOODS FROM THE U.S. OR ELSEWHERE. THESE SUGGESTIONS HAVE BEEN REJECTED BY TREASURY, WITH CONCURRENCE FROM THE DEPARTMENT OF STATE, AS INCONSISTENT WITH POLICY REGARDING THE RELEASE OF BLOCKED ACCOUNTS.

4. IT IS SUGGESTED THAT THE EMBASSY ADVISE POLZE THAT TREASURY WOULD BE PLEASED TO CONSIDER THE BANK'S AS THE BANK IS ABLE TO FURNISH RECORDS RELATING TO U.S. DOLLAR TRANSACTIONS INVOLVING THE PEOPLE'S REPUBLIC OF CHINA.

5. A TREASURY MEMORANDUM ENTITLED "BLOCKED GDR ASSETS IN THE U.S." EXPLAINING IN DETAIL THE BACKGROUND OF THESE ACCOUNTS IS BEING AIRPOUCHED. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BIOGRAPHIC INFORMATION, BLOCKED ASSETS, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE025065  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** SSWINEHART:LLB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760039-0291  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1976/newtext/t19760291/aaaadbxd.tel  
**Line Count:** 82  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN TRSE  
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**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 BERLIN 6632  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
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**Review Date:** 26 APR 2004  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BLOCKED GDR ACCOUNTS  
**TAGS:** EFIN, GC, US, AUSSENHANDELSBANK, DEUTSCHE NOTENBANK  
**To:** BERLIN  
**Type:** TE  
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